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VIA: ATR  
(SPECIFY AIR OR SEA, ETC.)

DISPATCH NO. EGMA-37146

**SECRET**  
CLASSIFICATION

TO : Chief, <sup>SP</sup>  
Attn:   
FROM : Chief of Base, Munich *bmm*

DATE: 12 September 1958

INFO: COS/G  
EE

SUBJECT: GENERAL— REDWOOD/LC IMPROVE/AEBATH/Operational/Administrative

SPECIFIC— Project AEBATH Renewal

REFERENCE: DIR-38561, 29 August 1958

ACTION REQUIRED: Renewal of Project AEBATH

1. Forwarded under separate cover is the Project Renewal for AEBATH.
2. Renewal is requested for the period effective 1 August 1958 until 31 July 1959 and it is subject to termination upon transfer of AECAPELIN/1.

Approved: *[Handwritten marks]*

Attachment: U/S/C  
A. Renewal Request

Distribution:  
3 - SR w/att (*in duplicate*)  
2 - EE w/att  
2 - COS/G w/att

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CENTRAL INTELLIGENCE AGENCY  
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DATE 2007

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FORM NO. 51-28B  
MAR. 1949

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74-6-63/1

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SR

Separate Cover Attachment to EGMA-37146

RENEWAL REQUEST, PROJECT AERATH

1. Product of AERATH Measured against the Expenditure of KUBARK Assets:

A. Counter-espionage and Counter-intelligence Product:

AECAPELIN/1, the principal agent of Project AERATH, due to well-established contacts in the Munich area, provided an extensive coverage of the Ukrainian emigration. As an informant, he reported extensive background information that proved useful in confirming and amplifying information from and regarding KUBARK-controlled double agents and other sources and provided several CE leads. His services were especially valuable during contact of a CE nature with an individual suspected of having been dispatched by a hostile intelligence service to Munich. AECAPELIN/1's close association with the security staffs of various emigre groups produced penetrations which have assisted this base in recognizing the aims of hostile intelligence services via KUBARK-controlled double agents. Since AECAPELIN/1 also is employed by UPSWING, we have been enabled to monitor some of UPSWING's interests in the emigre field, including activities of emigre political organizations, religious affairs, emigre personalities and travelers from the Soviet Union to the West. His extensive intelligence background has also been exploited in his production of analyses regarding intentions of hostile intelligence services vis-a-vis Western Intelligence Services, groups sponsored by the latter and the re-defection of emigres.

B. During Project Year 1958, one case officer devoted part time to AECAPELIN/1.

2. Extent to Which AECAPELIN/1 Furthered the RMD in Effect During Project Year 1958: AECAPELIN/1 has contributed to the objectives of the Related Mission Directive in terms of the support he provided in the Munich double agent program.

3. Progress of the Operation: Through well-established sources of CE/CI information among the Ukrainian emigre circles in the Munich area, AECAPELIN/1 continued to produce information and leads.

4. Planning for the Future: In view of the KUFIRE decision to transfer or terminate AECAPELIN/1, he will be utilized by Munich Base until such time as he is transferred from West Germany.

5. Changes Believed Necessary: Since AECAPELIN/1's overall value has reached the point of diminishing returns, it is believed that his services could be better used in an area more fertile, e.g., Athens, Greece; Istanbul, Turkey, or Brazil, South America.

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6. Performance of AECAPELIN/1: Since AECAPELIN/1's regular employment is almost pure fiction but strong enough to avoid the point of suspicion, he is enabled to devote almost exclusive attention to tasks of an information-gathering nature. Because of his background, experience and well-established position in the emigre community, his performance in this is unsurpassed and he can be placed in the "old pro" category as an informant.

7. Money Expended and Estimated Cost for Next period:

A. The approximate total of expenditures for 1 July 1957 through 31 July 1958 was \$4,920.00 (this does not include \$2,400.00 which was placed in AECAPELIN/1's stateside escrow account). This figure includes costs for AECAPELIN/1's new office quarters.

B. The estimated cost for the next period is \$4,220.00 (this figure does not include \$2,400.00 which will be placed into AECAPELIN/1's stateside escrow account). This figure does not include costs which will be involved in the eventual transfer of AECAPELIN/1 and his personal properties from Munich nor does it include a bonus in the event he is terminated.

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